SHOWBIZ PIZZA PLACE®

POLICY MANUAL

CONFIDENTIAL OPERATIONS MANUAL #_____

The accounting firm used by ShowBiz Pizza Place, Inc. is:

Mize Houser Mehlinger & Kimes
First National Bank Building
#1 Townsite Plaza
Topeka, KS 66603
913/233-1016

Mize Houser Mehlinger & Kimes will be referred to as MHMK throughout this manual.

CONFIDENTIAL

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Policy # 150
Title: Employee Meal Discounts
Effective Date: 7-31-81

SUBJECT: EMPLOYEE MEAL DISCOUNT

POLICY:

All employees receive a 50% discount on one (1) meal during each normal shift of at least six hours. Management receives free meals while on duty.

Employee meals can be any one of the following:

a) Mini pizza with no more than two additional toppings and a small soda.

b) Sandwich and a small soda, or

c) Salad and a small soda.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 151
Title: Free Tokens

Effective Date: 3-23-84

SUBJECT: FREE TOKEN POLICY

POLICY:

To maintain the highest token value in the entertainment centers, free tokens will not be given to employees of ShowBiz Pizza Place, Inc. or their families.

SUBJECT: INSURANCE

POLICY:

ShowBiz Pizza Place, Inc. through Brock Hotel Corporation offers life, health, long term disability, dismemberment and dental insurance for all eligible employees. The Company shares in the expense of the insurance premiums on a scale described in the booklet entitled Your Group Insurance Plan. This booklet explains in detail specific information regarding the Company insurance plan. The health, life (including dismemberment and accidental death), disability, and dental insurances are a package available for Class I, II, and III employees; a medical and life insurance package is available for Class V and VI employees. These insurance coverages are not available separately. Employee classes are defined in Policy #350.

ELIGIBILITY:

1. Employees in Class I, Class II, and Class III are eligible to participate in all insurance benefits. There is an initial thirty (30) day period to enroll. Thereafter, the application will be subject to an evaluation of good health.

2. Employees in Classes V and VI who are full time employees, working a minimum of 35 hours a week, are eligible for life and health insurance benefits.*

   *There is a 90 day probation period after which a thirty (30) day sign up period begins. Thereafter, the application will be subject to an evaluation of good health.

EFFECTIVE DATE:

1. The effective date for employees in Class I, Class II, or Class III is the first day of employment. (Enrollment cards must be on file in the Home Office).

2. The effective date for employees in Classes V and VI is the date of that payroll during which the enrollment card is received. (Enrollment cards must be on file at the Home Office.)

   NOTE: If an employee works less than thirty five hours per week for twelve consecutive weeks (or six pay periods), the employee will be ineligible for insurance benefits.

TYPES OF INSURANCE:

1. Life and Accidental Death

   a. Employees in Class I are eligible for $100,000 worth of life insurance.

   b. Employees in Class II are eligible for $50,000 worth of life insurance.

   c. Employees in Class III are eligible for $25,000 worth of life insurance.

   d. Employees in Class V are eligible for $10,000 worth of life insurance.

   e. Employees in Class VI are eligible for $5,000 worth of life insurance.

   f. All policies contain a Double Indemnity Clause in the event of an accidental death.

2. Disability Insurance

   This insurance plan is offered to employees in Class I, Class II, and Class III. It provides 60% of one's income to $3,000 maximum per month to age 65. (See insurance manual for additional information).

3. Health Insurance

   Major Medical Plan:
   This plan provides $1,000,000 worth of medical insurance. After one has incurred $200 ($600 maximum per family) worth of expenses you will start coverage by the Major Medical Plan. At this point, all bills (including room and board on a semi-private daily basis) are shared 80/20 by Connecticut General and the insured. Connecticut General will pay 80% of the bills until they have paid a total of $2500. Thereafter, Connecticut General will pay 100% of all eligible bills up to $1,000,000.

   Maternity Insurance:
   Maternity claims are treated and paid the same as any other illness.

   Family Protection Rider:
   This will provide your family with two years of premium free coverage if you should die and had family coverage at that time. If the spouse should remarry during this two year period, this is no longer applicable.

Second Opinion Surgical Benefit:
This benefit will pay 100% for a consultant's fee and related x-ray and laboratory charges when a second opinion is obtained regarding a proposed surgical operation.

Accident Expense Benefit:
This benefit will provide up to $300 to cover the expenses incurred within 90 days of an accident. If these services are rendered by the emergency room of a hospital, they will be subject to a $15 deductible.

Institutions/Nursing Facilities:
This benefit provides coverage as a hospital expense for institutions specializing in treatment of mental illness, alcoholism, or drug abuse, and for partial confinements or treatment of these conditions.

Diagnostic X-Ray/Lab Rider:
Your policy has a $300 per year per person diagnostic x-ray and lab rider.

Additional Provisions:

Pre Admission Testing
This benefit will reimburse at 100%, with no deductible, charges for tests made on an out-patient basis prior to a scheduled hospital confinement.

Out-Patient Surgery
This benefit provides 100% reimbursement (with a $15 deductible) for out-patient facility charge and for surgery performed at this facility. This facility includes any out-patient surgical facility or outpatient department of a hospital.

Licensed Practical (or Vocational) Nurses

Rental, or at the option of the insurance company, purchase of durable medical equipment, as defined

Payment for hospitals administering chemotherapy on an out patient basis

4. Dental Insurance

Dental insurance is offered to Class I, Class II, and Class III employees. This insurance carries no deductible and covers up to $1500 of covered expenses per calendar year per individual insured. The policy is divided into three classes with coverage as below:

Class I Services Paid 100%:
Oral and lab exams, X-rays, emergency treatment, floride treatments, prophylaxis.

Class II Services Paid 80%:
Fillings, root canal work, endodontics, prosthodontics maintenance, oral surgery.

Class III Services Paid 60%:
Major restorative-gold fillings, crowns, bridge pontics, prosthodontics, orthodontics. Orthodontics have an individual lifetime maximum of $1000.

5. Company contribution of insurance premiums

a. For Class I, Class II, and Class III employees, the Company contributes 50% of the insurance premium the first five years, 75% of the insurance premium the second five years, and 100% of the insurance premium for the employee, thereafter.

b. For Class V and VI employees, the Company contributes 50% of the insurance premium for the employee only the first three years, 75% of the insurance premium for the employee only the second three years, and 100% of the insurance premium for the employee only after six years of employment. Class V and VI employees are responsible for the full additional amount for family coverage.

INSURANCE TERMINATION:

Insurance coverage terminates on the last day of employment unless arrangements are made with the Insurance Adminstrator to independently maintain premium payments.

SUBJECT: INSURANCE FOR TERMINATING EMPLOYEES

POLICY:

ShowBiz Pizza Place, Inc. must inform all employees enrolled in the insurance program who are terminating employment with ShowBiz Pizza Place, Inc. of the right to continue their group medical benefits.

If the terminating employee wishes to continue benefits, contact the Home Office and obtain the premium rate. The employee will be responsible for the entire premium which must be paid to the Home Office at the first of every month.

A poster describing this procedure is to be posted with the required poster package in the employee break area.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 154
Title: Paid Holidays

Effective Date: 8-12-83

SUBJECT: PAID HOLIDAYS

POLICY:

All non-management, or non-exempt, personnel who have completed their 90-day probationary period and work on a company prescribed holiday are to be paid at a rate of one and one-half times their normal hourly pay rate.

The holidays are New Year's Day, Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 155
Title: Paid Sick Leave

Effective Date: 12-21-82

SUBJECT: PAID SICK LEAVE

POLICY:

After one year of continuous full-time service, an employee qualifies for sick leave.

Should the employee be ill for more than three consecutive work days, the employee is required to visit a medical doctor for treatment and to advise the employee's supervisor of tne condition in writing.

Under no circumstances is paid sick leave to exceed seven days per year. Sick leave time cannot be carried over from one year to the next.

For computation of sick leave time, a full time employee is one who works seventy (70) hours or more during the payroll period.

Sick leave hours accrue to each full time employee based on tne number of hours worked each pay period and the employee's length of service with Brock Hotel Corporation and ShowBiz Pizza Place, Inc. Hourly employees accrue sick leave based on the total number of hours worked each week for the year. A full time employee who does not work at least seventy hours during the payroll period will not accrue sick leave for that period. If a full time employee does not accrue at least twenty (20) hours per year, they earn no sick leave. Salaried employees will accrue hours based on one hundred (100) hours per pay period. A salaried work week is based on a minimum of fifty (50) hours per week. The rates of accrual will be:

Length of Service in Years	Sick Leave Accrual per hour worked
0+	.0270

While sick leave hours are accrued each pay period, the sick leave hours are not earned until the pay period an employee passes their anniversary date of employment. In the pay period an employee passes their anniversary date, any accrued sick leave hours are credited (assuming at least 20 hours were accrued) to the employee as earned and a new accrual would begin for the following year. Any unused sick leave hours are not carried forward to the following year.

See Payroll Preparation Procedure #6801 for further information.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 156
Title: Paid Vacations

Effective Date: 12-21-82

SUBJECT: PAID VACATION

POLICY:

After completion of one year of service (incuding the probationary period) all full time employee will have earned one full week of paid vacation. After two years of service, two weeks are earned, and after ten years, three weeks are earned. Years begin and end on the employee's anniversary date.

For computation of vacation time, a full time employee is one who works seventy (70) hours or more during the payroll period.

Vacation hours accrue to each full time employee based on the number of hours worked each pay period and the employee's length of service with Brock Hotel Corporation and ShowBiz Pizza Place, Inc. Hourly employees accrue vacation based on the total number of hours worked each week for the year. Salaried employees will accrue hours based on one hundred (100) hours per pay period. A salaried work week is based on a minimum of fifty (50) hours per week. The rates of accrual will be:

Length of Service in Years	Vacation Accrual per hour worked
0 - 1	.0193
1 - 10	.0385
10 +	.0577

While vacation hours are accrued each pay period, the vacation hours are not earned until the pay period an employee passes their anniversary date of employment. A full time employee who does not work at least seventy hours during the payroll period will not accrue vacation for that period. If a full time employee does not accrue at least twenty (20) hours per year they will earn no paid vacation. In the pay period an employee passes their anniversary date, any accrued vacation hours (assuming at least 20 hours were accrued) are credited to the employee as earned and a new accrual would begin for the following year. Any unused earned vacation hours are not carried forward to the following year.

See Payroll Preparation Procedure #6801 for further information.

Policy # 201
Title: Policies & Procedures
Effective Date: 7-31-81

SHOWBIZ PIZZA PLACE
OPERATIONS MANUAL

SUBJECT: POLICIES AND PROCEDURES

POLICY:

It is the responsibility of ShowBiz Pizza Place management to guarantee compliance of the established Confidential Operations Manual.

1. Policies and procedures will be issued and revised as needed.

2. Each policy and procedure will have an effective date.

3. It is the responsibility of management to update the Confidential Operations Manual when revisions are issued and distributed.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 202
Title: Animated Entertainment
Effective Date: 2-21-83

SUBJECT: ANIMATED ENTERTAINMENT

POLICY:

The animation is to be operating properly by no later than 2:00 p.m. on weekdays and 11:00 a.m. on weekends, and for the remainder of each day's normal hours of operation (see Policy # 209). The current show tape or its designated back up, as defined by the Animated Entertainment Fund Executive Director, is to be controlling the show. The video tapes supplied by the manufacturer define a properly operating show. The animation and stage areas are to be clean and cosmetically well groomed.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 203
Title: Animation Function Check
Effective Date: 4-30-82

SUBJECT: ANIMATION FUNCTION CHECK

POLICY:

The Manager must complete the Animation Function Check Form SPP-30 on a daily basis. The completed form must be retained on the premises with weekly restaurant records.

The Electronic Specialist is to initial and date the form each day verifying the VCR adjustment completed on the character that day.

SUBJECT: ANIMATION PREVENTATIVE MAINTENANCE SCHEDULE

POLICY:

The management is responsible for strict adherence to the required Animation Preventative Maintenance Schedule.

1. Daily
   a. Turn off air supply at compressor.
   b. Drain water from compressor reservoirs, traps, and refrigerated air dryer.
   c. Check filter bowl for draining.
   d. Check lubricators at each character, drain off water, fill 2/3 full with 10w non-detergent oil.
   e. Power down computer and audio racks at breaker; clean tape heads, guides, pinch rollers, and capstan; give complete visual inspection.
   f. Power up system and run a birthday show, half time with audio and half time without audio. Watch and listen for electronic/mechanical defects, repair as needs arise.
   g. P.M. one character daily as directed on Daily Show P.M. Poster, SPP-10.
      1. Remove clothing and fur from character.
      2. Remove character body shell.
      3. Check and tighten all nuts, bolts, and Allen screws.
      4. Clean all dust and fur from frame.
      5. Lubricate all hinge points with CEI LUBE.
      6. Lub piston rods, wipe excess with clean rag.
      7. Replace body shell, fur, and clothing on character.
      8. VCR character movements. Check for cracks in welds. Check for worn bushings.

   NOTE: Most cylinders can be rebuilt several times before they need to be replaced. Rebuild kits are cheap when compared to the cost of a cylinder.

2. Weekly:

   a. With power off, remove the audio tape from deck #1 and deck #2. Place tapes away from the decks.
   b. Demagnetize the tape heads and tape guides of tape deck #1. Do not get the demagnetizer near the tapes removed. (Keep the demagnetizer in the tech room.)
   c. Wait 5 minutes and then repeat step b, demagnetizing, for tape deck #2.
   d. Replace the tapes on their respective tape deck.
   e. Perform start up procedure.
   f. Check all lights for burned out bulbs and replace as needed.

3. Monthly:
   a. Inventory animation spare parts and order missing items.
   b. Clean control and compressor rooms.
   c. Adjust spotlights to specifications.

4. Semi-Annually:
   a. Check tape deck rubber (pinch rollers and belts) and replace if needed.
   b. Lubricate both tape deck motors according to the service manual. (Do not allow oil to get on the main drive belt).

SUBJECT: APPROVED MANUFACTURERS

POLICY:

ShowBiz Pizza Place restaurants shall obtain all fixtures, furnishings, signs, equipment, products, materials, ingredients and paper goods from the list of approved manufacturers or supplier.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 206
Title: Billy Bob

Effective Date: 9-27-82

SUBJECT: BILLY BOB

POLICY:

Billy Bob must be on the floor a minimum of 15 minutes per hour. If the restaurant is busy and/or there are numerous birthday parties, he is to spend as much time on the floor as possible.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 207
Title: Charge Cards

Effective Date: 7-31-81

SUBJECT: CHARGE CARDS

POLICY:

All ShowBiz Pizza Place restaurants shall honor Master Card and/or VISA charge cards.

The manager can personally purchase tokens, paid for by a credit card, through the bill changer.

SUBJECT: CONFIDENTIALITY AGREEMENT

POLICY:

Prior to employment and before entering the training program, all management, electronic specialists, and members of the electronics staff are to sign the ShowBiz Pizza Place, Inc. confidentiality Agreement form.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 209
Title: Days and Hours of Operation
Effective Date: 8-19-83

SUBJECT: DAYS AND HOURS OF OPERATION

POLICY:

All ShowBiz Pizza Places will be open every day of the year with the exception of Christmas which may be closed at the discretion of the operating company.

All ShowBiz Pizza Places will be open the following minimum hours: from 11:00 a.m. to 11:00 p.m. Sunday through Thursday, and from 11:00 a.m. to 12:00 midnight on Friday and Saturday. A reduced schedule for required open hours may be instituted by the operating company on New Year's Day, Easter, Thanksgiving, and Christmas. Minimum hours for these holidays will be 4:00 p.m. until closing. (The closing is based upon which day of the week the holiday lands.)

The only exception to this policy would be:

1. Acts of God which totally immobilize the community.

2. Physical damage to the entertainment center resulting in dangerous conditions to guests and staff.

An unscheduled emergency closing requires notification in writing to ShowBiz Pizza Place, Inc.

In entertainment centers operated by ShowBiz Pizza Place, Inc., the District Manager must be contacted upon knowledge of the emergency closing.

SUBJECT: FINANCIAL STATEMENT

POLICY:

All ShowBiz Pizza Place Restaurants shall submit to ShowBiz Pizza Place, Inc. the following:

A monthly operating statement by the 15th of the following month.

A quarterly operating statement within 30 days of the end of the quarter.

An annual operating statement within 90 days of the end of the fiscal year.

ShowBiz Pizza Place, Inc. reserves the right to require the annual statement be certified by an independent certified public accountant.

SUBJECT: FOOD, BEVERAGE AND PAPER SPECIFICATIONS

POLICY:

ShowBiz Pizza Place Management shall serve all and only approved products as required in accordance with the Food and Beverage Section. This is to insure a system wide product quality and consistency.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 212
Title: Food & Beverage Standards
Effective Date: 7-31-81

SUBJECT: FOOD AND BEVERAGE STANDARDS

POLICY:

ShowBiz Pizza Place Management shall follow all the prescribed recipes and production procedures for all menu items.

SUBJECT: GAMES AND RIDES

POLICY:

All ShowBiz Pizza Place entertainment centers shall have at least forty (40) games and rides.

All games and rides shall operate using either the required tokens or quarters. (See Policy #234 and 266 on Required Tokens.) The coin mechanism for each game and ride is to be adjusted to accept only the required token and/or quarters. All will have a single meter which will record the number of quarters and/or tokens placed in the game/ride. The percentage breakdown of games/rides within each restaurant shall be as follows:

50% - 60% Video/Cocktail

12% - 25% Kiddie

15% - 25% Arcade (including Skeeball)

2% - 10% Dispenser

All games must be selected from the approved games list. Exceptions must be authorized by the Director of Games and Merchandise Purchasing.

It is recommended that dispensing and cigarette machines be placed in the hall.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 214
Title: Guest Service Standards
Effective Date: 7-31-81

SUBJECT: GUEST SERVICE STANDARDS

POLICY:

ShowBiz Pizza Place Management shall require all personnel to provide guests with the best in fast and courteous service.

1. Friendliness: Employees are to smile and be friendly.

2. Guidelines for guest treatment:
   a. Treat all guests as if they were the owner.
   b. If a problem arises, at all times the guest is "right".

3. Guests in Line: Two or more people at any given register will require the second register to be opened on the service counter.

4. Pizza Cooking Time: Pizza orders are to be placed and delivered from the kitchen as quickly as possible. This means that the pizza is to arrive at a maximum of (20) minutes from the time the guest orders it.

5. Legal Capacity/No Available Seating: When the restaurant has reached its legal capacity of guest per local fire codes, a sign will be placed at the entrance until such time that people may enter. When there is no seating available, and it becomes obvious to management that it will be impossible for a guest to be seated within the hour, management is to greet guests supplying them with two (2) free tokens, and a courtesy card for a free soft drink. At this time they are to be advised realistically as to the approximate time when they can return and be seated.

6. Service Analysis: Management must constantly be aware of guest needs and opinions. Management is to interview the guests as to their experience while visiting the restaurant. A minimum of six (6) guests should be interviewed by a Manager per shift.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 215
Title: Guest Requirements

Effective Date: 10-11-82

SUBJECT: GUEST REQUIREMENTS

POLICY:

ShowBiz Pizza Place restaurants shall not refuse admittance or discriminate because of race, color, religion, sex, age, national origin, or ancestry.

Local and state laws differ. Contact your local or state agencies concerning guest requirements pertaining to our industry.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 216
Title: Inoperative Games

Effective Date: 7-31-81

SUBJECT: INOPERATIVE GAMES

POLICY:

There will be no more than four (4) games/machines inoperative at one time, in a ShowBiz Pizza Place restaurant.

If an inoperative game cannot be repaired on the Playroom floor within two (2) hours, the game must be removed from the playroom and placed in the Electronic Specialist's workshop until it is repaired.

This does not apply for Skeeball, or other games or rides which require a great amount of space for storage.

SUBJECT: INSURANCE

POLICY:

All policies of insurance required by the Franchise Agreement shall:

1. Be written with companies authorized to do business in the state of the ShowBiz Pizza Place restaurant and rated "Triple A" or better in Best's Insurance Reports;

2. Be written as primary policies and not contributing with or in excess of any coverage which ShowBiz Pizza Place, Inc. as an additional insured;

3. Contain an endorsement requiring thirty (30) days written notice to ShowBiz Pizza Place, Inc. prior to cancellation or change in the coverage, scope or amount of such policy or policies; and

4. Waive all rights of subrogation which the insurer or insurers might otherwise have, if any, against ShowBiz Pizza Place, Inc

Prior to the commencement of construction, a certificate of insurance, shall be delivered to ShowBiz Pizza Place, Inc. Franchise Operations.

SUBJECT: LIQUOR LICENSES

POLICY:

All ShowBiz Pizza Place restaurants must serve beer or beer and wine of required specification where local law allows. (See Specifications Section)

Policy # 219
Title: Maintenance and Repairs
Effective Date: 7-31-81

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

SUBJECT: MAINTENANCE AND REPAIRS

POLICY:

ShowBiz Pizza Place Management shall maintain all equipment in safe and operational condition.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 220
Title: Management Visibility
Effective Date: 7-31-81

SUBJECT: MANAGEMENT VISIBILITY

POLICY:

While the manager is on duty he/she is to spend 80% of the time on the floor monitoring the operation and greeting the guests. During peak periods, the manager on duty shall always be on the floor outside of the office.

SUBJECT: MANUAL ISSUANCE

POLICY:

The Confidential Operations Manual is the sole property of ShowBiz Pizza Place, Inc. It is issued to each operating restaurant, franchise corporate office, and to designated staff members to insure consistent operation of all ShowBiz Pizza Place restaurants. The restaurant copy is to be maintained on the premises at all times.

ELIGIBILITY AND DISTRIBUTION:

FRANCHISE OPERATIONS:

1. As per the Franchise Agreement (section III-H), the Franchisee will be provided one copy of the manual. This will be issued as soon as the Franchise Development Agreement is finalized and the Director of Franchise informs the Director of Quality Assurance of the shipping address.

2. Each ShowBiz Pizza Place restaurant will automatically be issued a copy of the manual approximately one month prior to the scheduled opening.

3. Persons involved in the supervision of three (3) or more restaurants (example: District Manager) and working in an office other than the corporate office or a restaurant office may request a copy. This request should be written to the Director of Franchise.

COMPANY OPERATIONS:

1. Restaurants will automatically be issued a copy approximately one month prior to opening.

2. Districts and Regions will be issued a copy after the District/Regional Manager is named and the Operations Department forwards the address to Quality Assurance.

3. Other personnel having a need for a copy and not having access to an office copy may submit a written request to the Director of Quality Assurance.

PROCEDURE FOR RETURNING, REISSUING, OR REPLACING THE MANUALS:

1. If a ShowBiz Pizza Place entertainment center is closed, the center's copy of the Confidential Operations Manual is to be returned to the Director of Quality Assurance at the address listed in the Preface of each book. If a Franchise Development Agreement is terminated, all copies of the Confidential Operations Manual are to be returned to the same address.

2. When a member of management leaves a position or is terminated, it is the responsibility of his/her immediate supervisor to see that the Confidential Operations Manual and all supplemental materials are retained on premises and are up-to-date.

3. If the Confidential Operations Manual and all supplemental materials are incomplete, an investigation is to be undertaken to determine the whereabouts of the Confidential Operations Manual or any portion(s) thereof, and an attempt be made to recover said material. This recovery is necessary to insure protection of ShowBiz Pizza Place, Inc. confidentiality.

4. The center manager is responsibility for updating and securing the Confidential Operations Manual.

   a. If a Manual is missing due to theft or loss, the person or entertainment center responsible will bear the replacement cost. To replace an entire set, the fee is $1000.00 payable to ShowBiz Pizza Place, Inc. Individual Manuals (example: Policy Manual, Forms Catalog, etc.) will be $100.00 each.

   b. A District Manager or Franchisee may request a replacement for any Manual. The centers's copy must be forwarded to the Director of Quality Assurance before a new Manual will be issued. The cost for a replacement will be $20.00 per Manual.

      NOTE: No charge will be made to replace material due to normal wear. Worn manuals are to be brought to the attention of Quality Assurance Evaluators.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 222
Title: Menus

Effective Date: 7-31-81

SUBJECT: MENUS

POLICY:

ShowBiz Pizza Place restaurants will have a menu board adjacent to the order counter; a menu board above the beverage bar back bar and expeditor menu pads. Only the approved menu boards and expeditor menu shall be allowed.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 223
Title: Merchandise

Effective Date: 7-31-81

SUBJECT: MERCHANDISE

POLICY:

ShowBiz Pizza Place restaurants shall display and sell all merchandise with the ShowBiz Pizza Place, Inc. licensed proprietary trademarks, trademarks, service marks, tradenames and logotypes, other characters and likenesses, owned by others as ShowBiz Pizza Place, Inc. may from time to time approve for display and sale. Other merchandise may be sold as approved by ShowBiz Pizza Place, Inc.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 224
Title: Music Licenses

Effective Date: 7-31-81

SUBJECT: MUSIC LICENSES

POLICY:

All ShowBiz Pizza Place restaurants shall submit to ShowBiz Pizza Place, Inc. the information and fees necessary to obtain licensing from ASCAP, BMI & SESAC, INC.

SUBJECT: QUALITY ASSURANCE PROGRAM

POLICY:

The ShowBiz Pizza Place, Inc. Quality Assurance Program is designed to assist in maintaining the minimum standards of operation as established in the ShowBiz Pizza Place, Inc. Confidential Operations Manual. The standards, policies, and procedures have been established to provide the guests with a consistent quality in food, entertainment and family atmosphere in all the ShowBiz Pizza Place entertainment centers.

The minimum standards, policies, and procedures have been established by ShowBiz Pizza Place, Inc. and approved by the Executive Committee of ShowBiz Pizza Place, Inc.

The ShowBiz Pizza Place, Inc. Quality Assurance Program reports the maintenance of standards. The evaluation is to be conducted in a positive manner. It will provide a tool for the ShowBiz Pizza Place entertainment center management to reinforce areas of employee training. It will indicate to middle management areas that need more attention and effort. ShowBiz Pizza Place College will be provided with an appraisal of areas that need to be stressed in training.

The evaluation should increase the awareness of all persons throughout the organization. Awareness will prevent many problems and aid in resolving the problems not prevented.

All ShowBiz Pizza Place entertainment centers shall be evaluated periodically. The evaluations shall be made by the ShowBiz Pizza Place, Inc. Quality Assurance Department using the designated form. The evaluations shall be made in a courteous, comprehensive manner -- a firm but fair evaluation. The written evaluation shall be provided to the designated parties. A summary report shall be provided to the ShowBiz Pizza Place, Inc. Executive Committee.

All entertainment centers must be evaluated as "Meets Standards" or "Noteworthy" on the designated form. These standards must be met in order to protect the reputation and goodwill of ShowBiz Pizza Place.

"Below Standards" or "Poor" evaluations indicate that policies, procedures, and standards as stated in the ShowBiz Pizza Place, Inc. Confidential Operations Manual are not all being followed and met.

The evaluation process will include:

- An evaluation using the approved form.
- An evaluation scheduled to take three to five hours with no interruption of business.
- A brief overview with management prior to commencing the evaluation.
- Each line marked with the appropriate grade.
- A specific comment recorded for any mark of "Noteworthy", "Below Standards", or "Poor".
- A review of the evaluation with management immediately following completion.
- Pictures may be taken as part of the evaluation procedure.

EVALUATION GRADING SYSTEM:

1. Each item on the evaluation report has been assigned a weighted value. The weighted value number is a multiplier of the grade given to the item. There are four possible grades:

   Five - Noteworthy
   Three - Meets Standards
   One - Below Standards
   Zero - Poor

   A grade of five, multiplied by the items weighted value of five, would earn twenty-five points on the evaluation.

2. The evaluation is to be totaled to determine the grade of the entertainment center. The evaluation is to be reviewed and signed by the entertainment center management and evaluator upon completion. Copies of the evaluation will be forwarded to the designated parties.

SUPPORT PICTURES:

Quality Assurance Evaluators may take pictures to support the evaluation.

CRITICAL AREAS:

The below listed items are critical to the maintenance of high standards and uniformity in all ShowBiz Pizza Place entertainment centers. If the standards are not met on any one or all of these items it shall result in an automatic "Below Standards" grade on the evaluation.

A. ShowBiz Pizza Place, Inc. spice blend for sauce; adequate supply and sauce prepared and served per recipe.

B. ShowBiz Pizza Place, Inc. flour for dough; adequate supply and dough prepared and served per recipe.

NOTE: An adequate supply of ShowBiz Pizza Place, Inc. spice blend for sauce and flour for dough is defined as: Enough quantity to make each product per recipe until such time as the next delivery of the ingredients can be made.

C. Animated entertainment operating. (Per Policy #202.)

D. Menu items, products and ingredients per recipe and specification, and as authorized.

THIRTY (30) DAY RE-EVALUATION:

If an entertainment center receives an evaluation grade of "Below Standards" or "Poor" the center must be re-evaluated in thirty (30) days to determine that corrective actions have been completed to conform to a minimum level.

SIXTY (60) DAY RE-EVALUATION:

If an entertainment center is evaluated as "Below Standards" or "Poor" on the "thirty (30) day re-evaluation", a re-evaluation will be required in another thirty (30) days. (Sixty days after the first evaluation). The results of the re-evaluation(s) shall be forwarded to the ShowBiz Pizza Place, Inc. Executive Committee and/or other appropriate committees for action. The appropriate parties will be notified by letter of the results and actions.

NOTICE OF RE-EVALUATION (30 DAY)

Mr. John Doe (Owner)
1234 West 1st Street
City, State 00000

Dear Mr. Doe:

This letter provides you notification that your ShowBiz Pizza Place entertainment center located at (official address) did not conform to a minimum level of standards and specifications as required in Paragraph VIII, of the ShowBiz Pizza Place, Inc. Franchise Agreement, when evaluated on (date of evaluation).

I have reviewed in detail the evaluation report submitted by the designated evaluator, (name of evaulator). A copy of this evaluation is attached for your information and review. In accordance with the ShowBiz Pizza Place, Inc. Confidential Operations Manual, a re-evaluation of your entertainment center is required within thirty (30) days of the date of this letter. This evaluation will be conducted on or before (date of re-evaluation).

If you have any questions, please let me know immediately.

Sincerely,

Director of Quality Assurance

Copy to:

Entertainment Center Manager
Director of Franchise Operations
Director of Franchise
District Manager
Director of Field Operation
President, Brock Hotel Corporation

NOTICE OF RE-EVALUATION (60 DAY)

Mr. John Doe (Owner)
1234 West 1st Street
City, State 00000

Dear Mr. Doe:

This letter provides you notification that your ShowBiz Pizza Place entertainment center located at (official address) did not conform to a satisfactory level of standards and specifications as required in Paragraph VIII, of the ShowBiz Pizza Place, Inc. Franchise Agreement, when evaluated on (date of evaluation).

I have reviewed in detail the evaluation report submitted by the designated evaluator, (name of evaluator). In accordance with the ShowBiz Pizza Place, Inc. Confidential Operations Manual, another re-evaluation of your restaurant is required within thirty (30) days of the date of this letter. (60 days from date of the first evaluation). This evaluation is scheduled for (date of re-evaluation). If at this time the entertainment center is graded "Below Standards", a copy of the evaluation will be forwarded to the ShowBiz Pizza Place, Inc. Executive Committee and/or other committees for appropriate action.

If you have any questions, please let me know immediately.

Sincerely,

Director of Quality Assurance

Copy to:

Entertainment Center Manager
Director of Franchise Operations
Director of Franchise
District Manager
Director of Field Operation
President, Brock Hotel Corporation

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 227
Title: Record Retention
Effective Date: 7-31-81

SUBJECT: RECORD RETENTION

POLICY:

ShowBiz Pizza Place shall retain all records necessary to comply with federal and state, local law for historical and legal purposes and for prudent business decisions.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

SUBJECT: REQUIRED TOOLS, PARTS, TEST EQUIPMENT

POLICY:

Management shall maintain on the premises, in operating condition, all tools, parts and test equipment required by ShowBiz Pizza Place listing of equipment.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 229
Title: Reports

Effective Date: 7-31-81

SUBJECT: REPORTS

POLICY:

All ShowBiz Pizza Place restaurants shall submit to ShowBiz Pizza Place monthly the following reports:

Daily Bill Changer Readings	Form SPP-11
Game Collection Report	Form SPP-12
Weekly Game Collection Summary	Form SPP-14
Weekly Cash Summary	Form SPP-57

These reports are to be submitted by the 15th of the following month.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 230
Title: Sanitation

Effective Date: 7-31-81

SUBJECT: SANITATION

POLICY:

ShowBiz Pizza Place Management shall establish and maintain levels of sanitation which meet and/or exceed the prescribed federal, state, and local guidelines.

Policy # 231
Title: Sign of Operating Company
Effective Date: 7-8-85

OPERATIONS MANUAL

SUBJECT: SIGN OF OPERATING COMPANY

POLICY:

All entertainment centers operating under license by ShowBiz Pizza Time, Inc. must exhibit a sign indicating the operating company. This 8" x 24" sign must be displayed by the front order counter in full view of the guest.

The plaque is to read:

"This is a franchise restaurant operated by _____ under a ShowBiz Pizza Time, Inc.* license."

*Sign may read ShowBiz Pizza Place, Inc. for franchised centers prior to May 21, 1985.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 232
Title: Sound Levels

Effective Date: 4-30-82

SUBJECT: SOUND LEVELS

POLICY:

The following are required sound levels for ShowBiz Pizza Place restaurants.

Showroom - Show audio should measure 90 db on the balcony during the Birthday Show.

Playroom - Game audio should measure 85 db when measured one meter from the speaker.

Sports Room - Game audio should measure 70 db peak when measured one meter from the speaker.

Sports Room - Televeion audio should measure 76 db in the center of the room.

Background music system should measure 70 db in the hall directly under the speaker.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 233
Title: Token Sales

Effective Date: 7-31-81

SUBJECT: TOKEN SALES

POLICY:

Tokens are to be sold only from bill changers.

Policy # 234
Title: Required Tokens

Effective Date: 11-15-82

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

SUBJECT: REQUIRED TOKENS

POLICY:

ShowBiz Pizza Place restaurants shall use tokens imprinted with the ShowBiz Pizza Place logo and slogan. It is recommended that brass tokens be used for guests, red tokens for test purposes, and nickel plated or blue tokens for promotional purposes.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 235
Title: Manual Changes

Effective Date: 10-11-82

SUBJECT: CHANGES TO CONFIDENTIAL OPERATIONS MANUAL

POLICY:

No changes can be made to the established policies and procedures in the Confidential Operations Manual without approval from the Executive Committee of ShowBiz Pizza Place, Inc. Changes can be proposed by any department within ShowBiz Pizza Place. To change, add, or delete a policy or procedure, the following steps should be completed by the designated person.

	Step	Person Responsible
1.	Any proposed change is to be approved by the ShowBiz Pizza Place, Inc. Executive Committee for testing prior to any development and implementation.	Sponsor of the Change.
2.	If the ShowBiz Pizza Place, Inc. Executive Committee approves the development and/or procedure test, the appropriate department is to develop and execute the necessary testing methods to determine validity of the proposed change.	Sponsor of the Change.
3.	After the testing period, the appropriate department will present the results to the ShowBiz Pizza Place, Inc. Executive Committee for final approval.	Sponsor of the Change.
4.	All implications of the proposed change on other policies and procedures are to be considered and changed if needed.	Sponsor of the Change.*
5.	A rough draft is to be typed on plain paper and be approved by the appropriate department head. The proposed change is then submitted to the Quality Assurance Department for final editing.	Sponsor of the Change.*

* The Manual Coordinator is available for consultation.

6.	The draft is distributed to all department heads for comments.	Manual Coordinator
7.	The finalized draft of the proposed change is distributed to the Executive Committee.	Manual Coordinator
8.	The change is presented to the Executive Committee for vote of approval.	Director of Support Services
9.	All changes are finalized, produced, and distributed to all manual holders.	Manual Coordinator

Changes to the Manual will be made when necessary. The manual holder is responsible for updating his/her manual. Quality Assurance Evaluators will check the restaurant manuals for the latest updates.

SUBJECT: ANIMATED ENTERTAINMENT INSTALLATION

POLICY:

ShowBiz Pizza Time, Inc., shall install the animated entertainment in all ShowBiz Pizza Place restaurants. In the case of a franchised restaurant, the charge will be in U.S. dollars:

NEW ANIMATION INSIDE U.S.A.	$6,500.00
NEW ANIMATION OUTSIDE U.S.A.	6,500.00 (Plus travel expenses)
USED ANIMATION INSIDE U.S.A.*	8,500.00
USED ANIMATION OUTSIDE U.S.A.*	8,500.00 (Plus travel expenses)

*Parts required to refurbish a used show will be an additional charge.

Travel expense is to be, the round trip air fare, and $100.00 per diem for each person.

The charge for show installation is to be paid (10) days prior to the scheduled delivery date.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 237
Title: Animtated Entertainment Technical Assistance
Effective Date: 4-30-82

SUBJECT: ANIMATED ENTERTAINMENT TECHNICAL ASSISTANCE

POLICY:

Technical assistance and consultation shall be provided by ShowBiz Pizza Place, Inc. to maintain and repair the Animated Entertainment. In the case of franchised restaurants, the franchisee is responsible for the round trip commercial air transportation cost plus per diem of one hundred dollars ($100.00) for on site technical assistance.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 238
Title: Required Posters

Effective Date: 1-10-83

SUBJECT: REQUIRED POSTERS

POLICY:

The posters listed below are to be on display at all times on the restaurant bulletin board:

Equal Employment - or EEOC Poster 370-331
EEOC 40-70 - or EEOC Poster 370-331
Minimum Wage
OSHA Job Safety Poster

OSHA #200 Form is to be posted from February 1 to March 1.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 239
Title: Background Music

Effective Date: 9-27-82

SUBJECT: BACKGROUND

POLICY:

All ShowBiz Pizza Place restaurants shall use background music during operating hours. Country western music may be used as an alternative in geographic areas where popular.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 250
Title: Animation Entertainment Operation
Effective Date: 4-30-82

SUBJECT: ANIMATION ENTERTAINMENT OPERATION

POLICY:

If the show is inoperative, the management must contact the District Electronics Specialist. The District Electronics Specialist is to notify the Regional Electronics Specialist who in turn notifies the Director of Electronics. The Electronics Specialist is required to work on a continuous schedule until the animation is functioning properly. Other technical responsibilities will be assumed by the remaining management team members until the animation is functioning properly.

SUBJECT: BUSINESS CONFIDENTIALITY

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. to be helpful, polite and friendly to inquisitive customers. Employees are not to volunteer information that is considered confidential. This includes:

1) Sales Figures

2) Profits

3) Construction Costs

4) Names of Major Suppliers

5) Game Collections

If a customer is persistent on the above items, please request they contact the home office operations department.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 252
Title: Complimentary Token Dispersement
Effective Date: 7-9-82

SUBJECT: COMPLIMENTARY TOKEN DISPERSEMENT

POLICY:

Tokens are to be given to guests on the following basis:

large pizza	-	4 tokens
medium pizza	-	3 tokens
small pizza	-	2 token
mini pizza	-	1 token
salad	-	1 token
sandwich	-	1 token

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

SUBJECT: CONFLICTS OF INTEREST

POLICY:

All business transactions which ShowBiz Pizza Place, Inc. participates must be ethically conducted with no conflicts of interest.

DESCRIPTION:

In making decisions, the management of ShowBiz Pizza Place is to exercise their free, independent judgment as to what is in the best interests of their company, and must not be influenced to the detriment of the company by personal relationships or outside interests.

DEFINITION OF CONFLICT OF INTEREST:

A conflict of interest exists if management of this corporation:

1) takes part in or exerts any influences on behalf of any other party in connection with any business decision or transaction affecting this corporation or any of its subsidiaries;

2) receives a fee, commission, renumeration, or other economic benefit from any other party, in connection with any business decision or transaction affecting this corporation or any of its subsidiaries;

3) is an officer, director or key employee of any other party, not a subsidiary of this corporation, which has business dealings with this corporation or any of its subsidiaries.

An "associate" of any such person means:

1) any corporation, partnership or legal entity (other than this corporation or one of its subsidiaries) in which such person is a partner or is, directly or indirectly, the beneficial owner or 10% or more of any class of equity securities;

2) any trust or other estate in which such person has a beneficial interest or to which such person serves as a trustee or in a similar fiduciary capacity;

3) any relative, spouse, or any relative of such spouse, who has the same residence as such person.

PROCEDURE:

All employees of this company must be constantly aware of this policy. If a conflict of interest should arise or appear to exist in connection with any business decision or transaction affecting this company, the person involved must promptly report to the vice president of operations all facts pertaining to such actual or apparent conflict of interest, so that action may be taken to determine whether a conflict of interest exists and if so, to disqualify such person from taking any part in or exerting any influence with respect to the decision or transaction.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 254
Title: Courtesy Cards

Effective Date: 7-31-81

SUBJECT: COURTESY CARDS

POLICY:

ShowBiz Pizza Place, Inc. management is encouraged to invite business associates/acquaintances to visit ShowBiz Pizza Place, INC. restaurants. A ShowBiz Pizza Place business card stamped or hand printed with "Courtesy Card" on the back can be used to provide complimentary tokens for the person. The maximum number of tokens to be given out at one time to each party is one roll or forty (40) tokens.

Promotional tokens are not to be used for playing Skeeball or participating in any other game/machine which awards prizes.

No food or beverage may be given out with the use of the "courtesy card."

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 256
Title: Discounts

Effective Date: 7-31-81

SUBJECT: DISCOUNTS

POLICY:

ShowBiz Pizza Place, Inc. does not discount food, merchandise or other products/services. Exceptions must be authorized by the Vice President of Operations.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 257
Title: Expense Approvals

Effective Date: 7-31-81

SUBJECT: EXPENSE APPROVALS

POLICY:

All capital expenditures over one hundred dollars require approval at various levels depending upon the type of expense.

PAYROLL:

All new hire positions with annual salaries in excess of $9,000 per year must be approved by two levels of management (Restaurant Manager and his/her immmediate supervisor). The approvals must be obtained prior to informing the employee of his/her salary.

CAPITAL EXPENDITURES:

When expenditures are required in excess of maximum spending level, management is to submit a request for expenditure. This written request is to provide all information substantiating the expenditure.

After approval from two levels of management, the purchasing department will coordinate procurement.

MANAGEMENT IN-STORE SPENDING:

Restaurant Management has a maximum spending level of $100 without two levels of approval.

The District Manager has a maximum spending level of $500 without two levels of approval.

Field operations has a maximum spending level of $1000 without two levels of approval.

In all expense approvals, the person requesting the expenditure's immediate supervisor must be one of the levels of approval.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 258
Title: Inoperative Game Reporting
Effective Date: 4-30-82

SUBJECT: INOPERATIVE GAME REPORTING

POLICY:

If more than four (4) games/machines are inoperative at one time, the Electronic Specialist must report this condition to the District Electronics Specialist who reports this information to the Regional Electronics Specialist.

The Electronics Specialist is to work on a continuous schedule until the condition is remedied. Other technical responsibilities will be assumed by the remaining managment team members until less than four games are inoperative.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 259
Title: Personal Checks

Effective Date: 7-31-81

SUBJECT: PERSONAL CHECKS

POLICY:

ShowBiz Pizza Place, Inc. does not accept personal or payroll checks from ANYONE. This includes management, store employees and customers.

The only exception to this policy would be trainees at the training school may cash personal checks in emergency situations with the approval of a management representative from the education department.

Policy # 260
Title: Restricting Access
Effective Date: 7-31-81

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

SUBJECT: RESTRICTING ACCESS

POLICY:

It is a policy of ShowBiz Pizza Place, Inc. to limit access of any individual to areas of official business. Access to the areas indicated must be authorized by restaurant management.

1) All storage rooms

2) Restaurant office

3) Cashier areas

4) Kitchen

Only individuals who have signed the ShowBiz Pizza Place, Inc. confidentiality agreement are allowed access to the Animation and peripheral equipment.

Only those individuals essential to restaurant operations will be allowed in the restaurant after closing. This includes wives, girlfriends, boyfriends and anyone not involved in the closing of the restaurant. NO INDIVIDUAL INCLUDING THE MANAGER HAS AUTHORITY TO AUTHORIZE SUCH PRESENCE.

Policy # 261
Title: Right to Refuse Service
Effective Date: 11-22-82

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

SUBJECT: RIGHT TO REFUSE SERVICE

POLICY:

ShowBiz Pizza Place, Inc. reserves the right to refuse service to any guest who may disrupt or abuse the family image of the operation.

This includes:

1) Inappropriately attired guests. (i.e. no shirt, no shoes, excessively revealing clothing, swim suits, etc.)

2) Guests acting in a disruptive manner. (i.e. drunk, disorderly, abusing property etc.)

The manager on duty has the ultimate authority to make judgment decisions necessary to enforce this policy.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 262
Title: Robberies

Effective Date: 7-31-81

SUBJECT: ROBBERIES

POLICY:

It is a policy of ShowBiz Pizza Place, Inc. to minimize the chance of robberies and any injuries by such through compliance of the following guidelines.

Prevention of robberies:

1) Preliminary background checks will be conducted on all employees.

2) No one with a known police record is to be hired without approval of district managers and ShowBiz Pizza Place, Inc.

3) The removal of trash after dark and/or after closing is forbidden without security present.

4) After closing, all employees are to leave by the front door and must be escorted by the management and/or security.

5) No unauthorized persons are to be in the restaurant after closing. This includes wives, girlfriends and anyone not involved in the closing of the restaurant.

In the event a robbery occurs:

1) Do exactly what the robbers command.

2) Use security alarm measures available. If possible, set the alarm while robbers are in the restaurant. Otherwise, set the alarm after the robbers leave the premises.

3) Management and employees are to each immediately document in writing what happened.

4) Do not disturb anything at the scene.

5) Notify the police department.

6) Call the manager and district manager.

7) Cooperate fully with investigating officers.

8) The managers and district managers will submit a complete written report including the police report to the home office within 24 hours.

For further information, See Procedure Manual, Security Section.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 263
Title: Weekly/Monthly Restaurant Meetings
Effective Date: 7-31-81

SUBJECT: WEEKLY/MONTHLY RESTAURANT MEETINGS

POLICY:

A weekly management meeting will be held to discuss restaurant operations. This meeting is designed to keep managers updated on current happenings within their restaurant.

The restaurant management will conduct monthly employee meetings.

All restaurant management including the Electronic Specialist must attend all restaurant meetings.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 264
Title: Animation Function Check
Effective Date: 4-30-82

SUBJECT: ANIMATION FUNCTION CHECK

POLICY:

The Manager must complete the Animation Function Check, Form SPP-30, on a daily basis. The completed form must be retained on the premises with weekly restaurant records.

The Electronic Specialist is to initial and date the form each day verifying the VCR adjustment completed on the character that day.

NOTE: A copy of the above form is to be sent to the Director of Electronics.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 265
Title: Required Posters

Effective Date: 1-10-83

SUBJECT: REQUIRED POSTERS

POLICY:

The posters listed below are to be on display at all times on the bulletin board in ShowBiz Pizza Place, Inc. restaurants:

Equal Employment - or EEOC Poster 370-331
EEOC 40-70 - or EEOC Poster 370-331
Minimum Wage
OSHA Job Safety
Brock Hotel Corporation Company Policy on Theft
ShowBiz Pizza Place Rules of Conduct
ShowBiz Pizza Place Open Door Policy
Insurance Conversion Rights Notification Card

OSHA #200 Form is to be posted from February 1 to March 1.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 266
Title: Required Tokens

Effective Date: 11-15-82

SUBJECT: REQUIRED TOKENS

POLICY:

ShowBiz Pizza Place, Inc. restaurants shall use imprinted Brass alloy 260 (70% copper, 30% zinc) tokens in the below dimension:

.982 + .004 - .002 x .062 + .005 - .003

Brass tokens are for guest usage, red tokens are for test purposes. It is recommended that Nickel plated or blue tokens be used for promotional purposes.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

SUBJECT: CLAIMS AGAINST THE COMPANY AND LEGAL ACTION

POLICY:

When an entertainment center is notified of a significant claim or impending legal action, it is of utmost importance that the appropriate corporate personnel and insurance carriers are notified immediately.

Often the manager is first notified of a claim or impending legal action by correspondence from an attorney. Legal action may result from an alleged incident that was not brought to anyone's attention at the time it supposedly occurred. If contacted by an attorney, refer the call to the Corporate Legal Department. Remember that any comments or information given out might be used against the corporation. Do not accept liability for the alleged incident. Limit the corporations liability by referring all inquiries for information to the Legal Department. Many notices of legal action indicate required response dates. It is imperative that management forward these notices in a timely manner, to allow the Legal Department enough time to become involved and respond with the requested data.

Legal Action by Guests and Others

A guest sustaining a personal injury or property loss or damage in the entertainment center may choose to press legal action. If an incident report has not yet been filed with the insurance companies, it is necessary to do so immediately. Notify Alexander and Alexander, first by phone, and supply all information that is available. Then complete the Incident Report (BHC-113) and forward copies as directed.

As a local representative of the corporation, you may receive claims or notices of legal actions which do not have a direct bearing on the restaurant operation. Such claims and notices, although possibly misdirected, are to be forwarded to the Legal Department immediately.

Employee Claims of Legal Action

Liberty Mutual is the insurance carrier to notify when an employee is injured on the job. Should a Workman's Compensation claim result in legal action, Liberty Mutual as well as the Legal Department must be notified of the action.

Report all discrimination, wage and hour, or unfair hiring practice claims to the Legal Department immediately, regardless of how contrived and meritless they may appear. These are the only types of claims that are not reported to the insurance carriers.

Whenever the entertainment center is notified of any claims or impending legal action, the Legal Department must be contacted. All legal action correspondence, summons, interrogatories, etc., must be sent by certified mail to the Legal Department. If the date to respond to the document is short, call the Legal Department and inform the lawyers of the proceedings. A copy of the document sent to the Legal Department must be kept on file at the restaurant.

FOR ALL CLAIMS AGAINST THE COMPANY - USE THE FOLLOWING REPORTING PROCEDURE:

1. Call the Legal Department at 214-258-8507 and notify the lawyers of the charge. Send all subpoenas, interrogatories, summons, and other notices of impending legal action to them. KEEP A COPY ON FILE.

2. Call Alexander and Alexander at 214/573-6158. You will be instructed out an Incident Report (BHC-113) if it is necessary.

3. Call the District Manager.

4. Refer any phone calls, or requests for information regarding legal claims, to the Legal Department.

Refer to Insurance Procedures for more detailed information

SUBJECT: SECURITY PERSONNEL

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. to utilize proprietary security guards for the purposes of guest relations and environmental security.

- Security personnel will be a direct employee of ShowBiz Pizza Place, Inc. He/she will be hired by and report directly to the restaurant manager.

- Security personnel will be unarmed.

- Security personnel will wear designated corporate management dress code as outlined in Policy #302.

- Security personnel will wear a red badge with SECURITY printed on it. These badges will be worn on the left side of the shirt in place of the name badge designated in Policy #302.

- Security personnel will successfully complete the required training program prior to assuming duties.

- In those situations where contract security services are required or necessary, the contractor ONLY will sign the ShowBiz Pizza Place, Inc. Security Contract. Once signed, the contract, along with appropriate documentation will be submitted to Security Affairs for coordination and approval.

- It will be the responsibility of restaurant management to insure all security personnel are in compliance with any and all local and state laws regarding private security officers.

- Duties of security personnel are to:

  - Maintain all conditions as specified in Procedures #3003 - #3007.

  - Assist the management in all emergency situations and disturbances.

  - Check all non-public access doors every 30 to 60 minutes to insure alarms are working properly and that all emergency exit doors are clear.

  - Complete the Daily Security Activity Report (SPP-58). If an incident is detailed on the form, the Incident Report (SPP-33) is to be completed and distributed as directed.

- Security personnel shall be first aid and C.P.R. qualified.

- Security personnel shall possess strong public relations skills and professionalism, along with the abililty to use common sense, and be personable.

- Any exceptions to stated corporate policy/procedure must be submitted in writing and approved by ShowBiz Pizza Place, Inc.

Policy # 271
Title: Comment Cards

Effective Date: _____

OPERATIONS MANUAL

SUBJECT: COMMENT CARDS

POLICY:

ShowBiz Pizza Place, Inc. values the opinions of their guests. For this reason, comment cards will be available in designated areas (in the entry foyer and/or at the front order register and beverage register) for their voluntary completion.

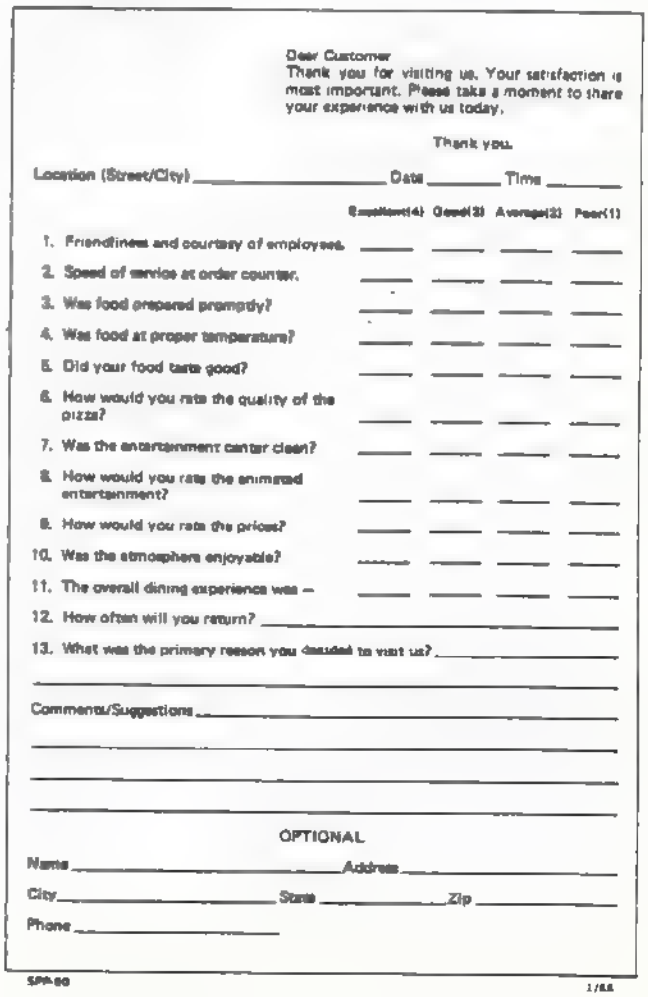
PROCEDURE:

1. The entertainment center manager is responsible for providing a continuous supply of these cards for guest completion. Comment cards are to be ordered through the standard forms order procedures.

2. The comment cards are pre-addressed with postage paid by the corporation.

3. All guest comments will be analyzed with results forwarded to the President and the Executive Vice President, Director of Operations.

SAMPLE COMMENT CARD



Dear Customer
Thank you for visiting us. Your satisfaction is most important. Please take a moment to share your experience with us today.

Thank you.

Location (Street/City) _____ Date _____ Time _____

	Excellent(4)	Good(3)	Average(2)	Poor(1)
1. Friendliness and courtesy of employees.	____	____	____	____
2. Speed of service at order counter.	____	____	____	____
3. Was food prepared promptly?	____	____	____	____
4. Was food at proper temperature?	____	____	____	____
5. Did your food taste good?	____	____	____	____
6. How would you rate the quality of the pizza?	____	____	____	____
7. Was the entertainment center clean?	____	____	____	____
8. How would you rate the animated entertainment?	____	____	____	____
9. How would you rate the prices?	____	____	____	____
10. Was the atmosphere enjoyable?	____	____	____	____
11. The overall dining experience was –	____	____	____	____

12. How often will you return? _____
13. What was the primary reason you decided to visit us? _____

Comments/Suggestions _____

OPTIONAL

Name _____ Address _____

City _____ State _____ Zip _____

Phone _____

SPA-60 1/88

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 301
Title: Equal Employment
Effective Date: 7-31-81

SUBJECT: EQUAL EMPLOYMENT

POLICY:

ShowBiz Pizza Place Management shall require that all aspects of employment and all decisions with respect to recruiting, hiring and promotions for all job classifications are to be made solely upon the basis of the individual's qualifications and merit as related to the requirements of the position being filled.

Other personnel matters such as compensation, benefits, transfers, layoffs, recalls from layoffs, terminations and training are to be administered without regard to race, color, religion, sex, age, national origin, or ancestory.

Policy # 302
Title: Dress Code

Effective Date: 9-10-84

OPERATIONS MANUAL

SUBJECT: EMPLOYEE GROOMING/DRESS CODE

DESCRIPTION OF STANDARDS/CODES:

The following grooming and dress code standards must be adhered to in all ShowBiz Pizza Place centers. The guidelines are divided into the following areas:

1. Requirements For All Employees
2. Management
3. Team Leaders
4. Electronic Specialist
5. Kitchen Uniform
6. Standard Uniform

POLICY:

1. ALL EMPLOYEES:

   a. Shoes: Clean and polished brown or black smooth leather, or man-made leather shoes only. Shoes must be in good repair. Open toes, open heels, sandals, tennis shoes, suede shoes, and moccasins are not allowed.

   b. Socks/hose: Socks or hose are required. Socks should coordinate with slacks. Natural tone hose only are permitted.

   c. Jewelry: Due to safety and health considerations, no excessive jewelry is allowed. A watch on either hand and a ring on each hand is acceptable. For safety reasons, earrings are to be restricted to ½" in length. The only other visible jewelry which is permissable would be a tie/scarf clasp. When working in the kitchen, no jewelry is allowed on hands.

   d. Personal hygiene: Hands must be scrubbed and clean at all times. Fingernails must be clean and trimmed. There should be no offensive body odor.

1. ALL EMPLOYEES (Cont'd.)

   e. Hair:

   Female: Hair must be pulled up and off the shoulders. Bangs must be above the eyebrow. Hair is to be neatly maintained for sanitary and business image reasons.

   Male: Hair is to be clean, neat and no longer than the top of the shirt collar and midway across the ear. Hair falling down on the forehead must be above the eyebrows. Mustaches may not extend below the corner of the mouth. Sideburns may not extend below the bottom of the ear. Beards are not permitted. Men should be clean shaven. Hair is to be neatly trimmed and maintained for sanitary and business image reasons.

   f. Make-up: Make-up must be kept to a minimum with natural tones used only. Clear nail polish only. The reason for clear nail polish is to provide better visibility of the whole nail.

   g. Name Badges: The prescribed ShowBiz Pizza Place name badge is to be worn on the left side of the shirt/uniform. The management name tag is to be worn only by the general manager, assistant managers, electronic specialist, sales manager, and interns.

2. MANAGEMENT UNIFORM REQUIREMENT:

   a. Slacks or skirt: Dark color dress slacks or skirts suited for ordinary street wear are allowed. Skirts must be knee length (2" above or below the knee.) No jeans, cords, or other pants with outside pockets are allowed.

   b. Belt: If slacks or skirt have belt loops, a belt must be worn. Color is to match the slacks or skirt.

   c. Shirt/Blouse:

   Female: Short or long sleeved, solid color or conservative print, dress shirt/blouse with standard collar. The shirt should accommodate the suggested scarf or tie. Sleeves cannot be rolled up.

   Male: Short or long sleeved, solid color, dress shirt with standard collar. Sleeves cannot be rolled up.

2. MANAGEMENT UNIFORM REQUIREMENT (Cont'd.)

   d. Tie/scarf: It is to be conservative and professional.

      Female: Tie or scarf is recommended.

      Male: Solid color or conservative print tie to coordinate with shirts and slacks is required.

3. TEAM LEADERS:

   Team leaders will follow management dress code with the following exceptions:

   a. Shirt/blouse: A clean white shirt with long or short sleeves will be worn. Sleeves may not be rolled up.

   b. Tie: A black tie will be worn by all team leaders.

   c. Name Badge: Team leaders will wear the hourly employee name badge.

4. ELECTRONIC SPECIALIST:

   The electronic specialist will follow the management grooming guidelines with the following exceptions:

   a. The electronic specialist may wear work clothes during pre-opening hours while working on the equipment. He/she must be dressed according to management guidelines at opening.

   b. The electronic specialist is not required to wear a tie when working on the equipment.

5. STANDARD UNIFORM:

   a. Slacks/Skirt: Dark color dress slacks or skirts suited for ordinary street wear are required. These are to have no patches, designs, or other types of ornamentation. Skirt length is to be either 2" above or below the knee. Jean, cords, or other pants with outside pockets are not allowed.

   b. Belt: A belt which matches the slacks or skirt must be worn with all belt loops.

5. STANDARD UNIFORM (Cont'd.)

   c. Shirt/Blouse: White, short or long sleeved, dress style, cotton blend shirt/blouse is required. It must accommodate the issued bow tie and be clean and pressed. Sleeves cannot be rolled up.

      Note: During winter months, employees located at the front order counter are allowed to wear plain white cardigan sweaters.

   d. Distributed Uniform Items: Bib aprons, vested aprons, bow ties, and top hats are provided by each center. The employee is responsible for having his hat, shirt and trousers clean, wrinkle free, and in good repair each time he is scheduled for work. If the apron, bow tie, or hat requires special laundering because of heavy soiling, they are to be replaced. Nothing extra is to be pinned, pasted, or stuck on the hat. A clean white paper chef hat may be worn by kitchen personnel. This applies to all kitchen personnel except those at the pick-up table and front counter who are to wear the standard top hat.

6. KITCHEN UNIFORM:

   Kitchen employees, at the discretion of the operating company, may wear the following uniform:

   a. Slacks/skirt: Dark color slacks or skirts suited for ordinary street wear are allowed. Jeans, cords, and other pants with outside pockets are not permissable. These must be clean and in good repair. Knee length skirts (2" above or below the knee) meeting the above criteria are allowed. Dough rollers may wear white pants.

   b. Belt: All skirts and slacks with belt loops require a belt. This should coordinate with the slacks/skirt.

   c. Shirt: The prescribed ShowBiz polo shirt, or a generic rust polo shirt with no logo, is to be worn. It is to be kept clean and in good repair. All shirts are to be tucked into the pants and skirts. The ShowBiz logoed shirt will be sold to employees at cost.

6. KITCHEN UNIFORM (Cont'd.)

   d. Aprons: Bib aprons will be available for protecting the shirt. These are not issued, but after use it is to be wiped clean and replaced in the break area.

   e. Hat: All kitchen employees will wear the "Fatz" baseball hats, or a solid colored baseball hat with a net back an no logo or art work of any type. The "Fatz" hat will be sold to employees at cost. A clean white chef hat may be worn by kitchen employees.

7. CHARACTER COSTUMES:

   At the discretion of the operating company, employees may be dressed in character costumes.

CONFIDENTIAL

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 303
Title: Employment
Citizenship/Alien Status
Effective Date: 7-31-81

SUBJECT: EMPLOYMENT CITIZENSHIP OR ALIEN STATUS

POLICY:

ShowBiz Pizza Place Management shall employ only citizens of the United States; lawfully admitted permanent residents of the United States; or, individuals who have received appropriate work papers from the U.S. Department of Immigrations. No person shall knowingly be employed who has entered the country illegally.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 304
Title: Job Aids

Effective Date: 7-31-81

SUBJECT: JOB AIDS

POLICY:

All personnel will function under specific job aids.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 305
Title: Minors

Effective Date: 7-31-81

SUBJECT: MINORS

POLICY:

ShowBiz Pizza Place Management shall hire personnel of legal age where local state/federal law dictates an age criteria for specific job classifications.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 306
Title: Training

Effective Date: 7-31-81

SUBJECT: TRAINING

POLICY:

An individual must be presently employed by ShowBiz Pizza Place, Inc. or a franchisee thereof, to be eligible to participate in the courses conducted by ShowBiz Pizza Place College.

Satisfactory completion of the operations management training course conducted by ShowBiz Pizza Place College is required of all ShowBiz Pizza Place Managers.

Satisfactory completion of the Electronic Specialist training course conducted by ShowBiz Pizza Place College is required of all Electronics Specialists.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 350
Title: Employee Classification
Effective Date: 3-28-83

SUBJECT: EMPLOYEE CLASSIFICATION FOR BENEFIT PURPOSES

POLICY:

All employees are divided into six separate classes for benefit purposes.

DESCRIPTION OF CLASSES:

1) Class I Corporate Home Office Department Heads/Directorships and Regional & District Management.

2) Class II Entertainment Center Managers, Field Opening Management, and other corporate staff management.

3) Class III Entertainment Center Assistant Managers, Electronic Specialists, and show team supervisors.

6) Class IV Entertainment Center non-management normally scheduled for less than forty (40) hours a week and non-management averaging more than forty hours per week who have not completed their 90 day probationary period.

4) Class V Corporate Home Office non-exempt personnel-hourly, non-management

5) Class VI Entertainment Center non-management normally scheduled for forty (40) or more hours a week, work at least 35 hours a week, and who have successfully completed their 90 day probationary period.

FULL-TIME EMPLOYEES DEFINED:

Any employee who is regularly scheduled to work forty (40) hours or more each week is considered a full-time employee. Class I, Class II, Class III, Class V, and Class VI employees are of full-time status.

If an employee works less than thirty five (35) hours per week for twelve consecutive weeks (or six pay periods), the employee will be ineligible for full time status or benefits. The management team at each entertainment center is responsible for correctly classifying full and part time employees.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 351
Title: Employee Conduct Rules
Effective Date: 7-31-81

SUBJECT: EMPLOYEE CONDUCT RULES

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. to present written Employee Rules of Conduct.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 352
Title: Employee Contacts
Effective Date: 7-31-81

SUBJECT: EMPLOYEE CONTACTS

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. to counsel and/or reprimand employees in the private manner aside from other employees. All such contacts must be handled with the presence of a witness. All details of the contact are to be documented by both the manager and the witness.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 353
Title: Employee Interrelationships
Effective Date: 4-30-82

SUBJECT: EMPLOYEE INTERRELATIONSHIPS

POLICY:

All employee interrelationships are to be conducive to the positive performance of each and every employee of ShowBiz Pizza Place, Inc. Management is never to fraternize with the restaurant employee. Any interaction or communication by management to restaurant employees is to be in a professional tone. Management fraternizing with employees in a non-business environment is prohibited.

There will be no ShowBiz Pizza Place, Inc. restaurant sponsored parties allowed on or off of company premises for ShowBiz Pizza Place, Inc. employees.

Use of facilities, games or equipment before or after hours for non-business purposes is prohibited.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

SUBJECT: EMPLOYEE PERFORMANCE APPRAISAL

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. to provide a system for improved employee performance. Employee Performance Appraisals will be conducted uniformly in accordance to the terms of the Equal Employment Policy.

DESCRIPTION:

Non-Management:

1) Performance Appraisals will be conducted after ninety days and then at six months of employment and on the employee's anniversary date thereafter.

2) The Non-Exempt Employee Performance Review, Form SPP-52 is to be used for appraising non-management employees. With the exception of the ninety day performance review, non-exempt employee performance reviews are to be conducted at the time of the individuals salary review.

3) Following approval of the appraisal by the appraiser's superior, a formal conference or session is to be conducted with the appraisee in which the final results are discussed.

4) One end product will be a developmental plan, a list of goals and objectives. All individuals must have development programs which will contribute to their performance today and prepare them for future assignments.

5) Any time a performance review reveals unsatisfactory performance, another session is to be scheduled with the employee within the next four weeks.

6) The yellow copy of the SPP-52 is to be retained in the employee's Personnel Envelope and the white copy is to be submitted to MHMK with the payroll.

Management

1) Management Performance Appraisals are to be conducted on management staff by the respective district manager or regional manager at a minimum of once per year. It is highly recommended that these appraisals be conducted twice during the first year of employment. The first of which is to be conducted at the completion of the ninety day probationary period.

2) Management appraisals are to be conducted for counseling and development purposes only. Salary reviews are to be made apart from formal management performance appraisal. However, salary recommendations must be based on performance achievement while observing appropriate salary guidelines. This document can and should be an important reference tool during a salary review.

3) The appraisee's immediate supervisor is to provide input into the appraisal process. The final appriasal is to be completed by the district management and operational directorship for regional and home office appraisals.

4) Following approval of the appraisal by the appraiser's superior, a formal conference or session is conducted with the appraisee in which the final results are discusssed.

5) One end product will be a developmental plan, a list of goals and objectives. All individuals must have developmental programs which will contribute to their performance today and prepare them for future assignments.

6) Any time a performance review reveals unsatisfactory performance, another session is to be scheduled with the employee within the next four weeks.

7) If a probationary period, is in order, due to unsatisfactory performance, and performance is such that, if not corrected, will require termination of employment, it is imperative that the individual be informed in writing with a copy placed in the individual's personnel envelope. The document is to include:

   a) date of meeting.
   b) problem areas discussed.
   c) plans to correct the deficiencies.
   d) time allowed to correct the problems.
   e) consequences if problems are not corrected.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 355
Title: Job Descriptions

Effective Date: 7-31-81

SUBJECT: JOB DESCRIPTIONS

POLICY:

All personnel will function under specific job descriptions.

1) Upon creation of a new position, a job description will be written within the first two months of that position.

2) The job descriptions will be reviewed annually by the Human Resources Department of ShowBiz Pizza Place, Inc. in conjunction with the Operations staff.

Policy # 356
Title: Reference Checks

Effective Date: 7-31-81

OPERATIONS MANUAL

SUBJECT: REFERENCE CHECKS

POLICY:

ShowBiz Pizza Place, Inc. will not provide reference information for former or present employees other than employment dates or salary information.

ShowBiz Pizza Place, Inc. will conduct reference checks from past employers of all candidates for management and non-management positions. These checks will focus on the past ten years of employment. Criminal record and bankrupcy checks will also be completed on all management candidates. Individuals with records which could impair their performance or trust will not be hired. Terminated ShowBiz Pizza Place, Inc. employees which have been coded as ineligible for rehire are not to be rehired.

PROCEDURE:

1) All requests for reference checks or employment verification are to be forwarded to the Human Resources Office, or the department which is responsible for the individual's personnel records.

2) Under no circumstances should an individual give out negative information that could be detrimental to an employee or former employee.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 357
Title: Jury Duty

Effective Date: 4-30-82

SUBJECT: JURY DUTY

POLICY:

Employees asked to serve on jury duty will be granted a leave of absence for the time served. The employee will be paid the difference between the fee for jury duty and the regular rate of pay for time spent on jury duty coinciding with the employee's regular workday. The employee is to present documentation of the request to serve on a jury and of the compensation paid. The manager will determine the workweek rate per calculation of sick leave or vacation pay (average of pay for past six (6) pay periods - 12 weeks). The manager will deduct the amount paid to the employee for jury duty using the salary receipt form (SPP 49) and enter the amount received from jury duty on the payroll input sheet. (See payroll procedure #6801).

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 358
Title: Military Duty

Effective Date: 4/30/82

SUBJECT: MILITARY DUTY

POLICY:

Employees obligated to serve in the military will be granted a leave of absence for the time served.

The employee is to present documentation of the request to serve and of compenstion paid. The employee will not be paid by ShowBiz Pizza Place, Inc. for time spent serving military duty.

SUBJECT: EMPLOYEE THEFT

POLICY:

ShowBiz Pizza Place, Inc. will use every legal and ethical means to help the majority of its employees by reducing employee theft. The following methods, among others, will be used to reduce employee theft:

1. ShowBiz Pizza Place, Inc. will make the matter of reducing employee theft an absolute, top priority of the company and will regard all misappropriation of company property as either petty larceny or grand larceny;

2. Wherever permitted by statute, ShowBiz Pizza Place, Inc. will regularly and sporadically make use of polygraph (lie detector) tests;

3. ShowBiz Pizza Place, Inc. will reward those employees who bring to management attention theft by other employees;

4. ShowBiz Pizza Place, Inc. will prosecute all offenders without discrimination or favor, and regardless of whether restitution is made or promised.

5. ShowBiz Pizza Place, Inc. will honor its outstanding majority of honest and conscientious employees by greater emphasis on integrity in matters of promotions, bonuses, and wage increases;

6. ShowBiz Pizza Place, Inc. will improve its educational system so that all employees understand the harm done to honest employees when dishonest employees make it difficult or impossible to increase wages and to improve restaurant properties;

7. ShowBiz Pizza Place, Inc. will greatly strengthen its security forces throughout the company, and improve its fidelity loss detection methods;

8. All of the above policies will be brought to the attention of present employees and to the attention of all new hires so that all personnel clearly understand the seriousness of employee theft, no matter how seemingly petty, and so that all personnel understand the potential dire consequences of misappropriation of property, and so that all personnel will also understand the great benefits which could be obtained by the employees of a company relatively free from the cancer of dishonesty.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 360
Title: Maternity Leave

Effective Date: 11-1-82

SUBJECT: MATERNITY LEAVE

POLICY:

ShowBiz Pizza Place, Inc. will grant a leave of absence for pregnancy. A pregnant employee may continue to work as long as she desires with the written permission of her physician. She may return to work when the doctor approves and provides ShowBiz Pizza Place, Inc. a written statement.

An employee is eligible for maternity leave at time of employment. All other leaves of absence require six months employment for eligibility. (See Policy #553)

As with all types of leaves of absences, benefits are not paid during the leave. If the employee desires insurance coverage to continue, she will pay the full monthly premium. See Procedure #8500 for complete details.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 361
Title: Employment of Immediate Family Members
Effective Date: 5-16-83

SUBJECT: EMPLOYMENT OF IMMEDIATE FAMILY MEMBERS (For example: spouses, children, etc.)

POLICY:

In the interest of sound business practices and to eliminate favoritism, immediate family members of the entertainment center management personnel shall not be hired by ShowBiz Pizza Place, Inc. for employment in the same entertainment center.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 362
Title: Harassment

Effective Date: 8-12-83

SUBJECT: HARASSMENT

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. that all employees be able to work in an environment free from all forms of discrimination--this includes harassment on the basis of sex, color, race, religion or national origin.

Harassment is defined as unwelcomed behavior either physical or verbal in nature which creates an intimidating, hostile or offensive work environment.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

SUBJECT: RELOCATION GUIDELINES

POLICY:

ShowBiz Pizza Place, Inc. Human Resources will make arrangements for all company paid employees moves with national movers.

ELIGIBILITY:

The initial move by a new employee, if necessary, and any subsequent moves at all levels made necessary due to transfers of 45 miles or more will be company paid. All moves must be approved by the Vice President of the Corporation. An estimate of the total moving costs must be provided for the Vice-President, prior to scheduling the move.

PROCEDURE:

1) Departure

a. As soon as estimated date of departure is determined, Human Resources is to be informed and action will be initiated from the local office of the moving company.

b. It is imperative that contact with the moving company be initiated by the local office so that the National Account Representative may be involved from the beginning in order to expedite the move. DO NOT CONTACT THE MOVERS DIRECTLY!

c. The moving company will contact the employee to plan the move.

d. Read carefully all literature the moving company provides.

e. Packing of all items is to be supervised.

f. Certain valuables such as jewelry, cash, stocks, and bonds are to be separated and moved personally, since the moving company is not liable for these items.

2) Arrival

a. Upon arrival at the new location, the destination moving agent is to be contacted to inform them of arrival and to give a contact number if not previously provided.

b. When the van arrives, the employee is to supervise the unloading of possessions.

c. Under no circumstances is the employee to authorize loading, unloading, or packing during any time other than normal business hours, since over-time rates would be charged.

d. The employee will be required to sign an inventory slip. He/she is to be sure all items are verified. Any discrepancies or damage is to be noted on both the driver's copy and the employee's copy of the inventory. The driver should sign the form.

e. If after unpacking, breakage or other problems are discovered, claims are to be filed immediately with the moving company. If satisfaction from the mover is not obtained in a reasonable period of time, the ShowBiz Pizza Place, Inc. Human Resources office is to be contacted.

DESCRIPTION OF CHARGES:

1) Rates: All long-distance moves are figured on a mileage to weight basis per hundred pounds per mile with a 500 pound minimum.

2) Storage: This is charged on a per month basis, so the same rate applies whether goods are stored for 3 days or for 30 days. STORAGE SHOULD BE AUTHORIZED ONLY WHEN ABSOLUTELY NECESSARY, and only by the appropriate vice president.

3) Movers are authorized to charge ShowBiz Pizza Place, Inc. the following:

a. Packing: Complete packing and unpacking service, including the cost of cartons.

b. Insurance Coverage: Standard coverage equals $.60 per pound. If additional insurance coverage is desired, the individual may purchase the additional coverage for approximately $5.00 per $1,000.00 valuation.

c. Installation and disconnection of major appliances: ShowBiz Pizza Place, Inc. will assume the normal cost of service for moving and installing typical or normal household appliances which have been moved. These include refrigerators, freezers, washers, dryers and stoves. Not included are the costs of rewiring of home or portions thereof to modify voltage, the bringing in of gas lines or other energy lines, the modification of dwellings to install venting of appliances. The intent of this paragraph is to provide the disconnecting, preparing for shipment and reconnecting of appliances, but not for structural changes to the new home or modifications thereto.

d. Full weight allowance: This includes normal moveable items. Not included are such items as cars, boats, trailers, firewood, etc.

e. Storage: This must be approved by the appropriate vice president prior to making arrangements, and should be authorized only when absolutely necessary. Ample notice (15 days) should be given when requesting removal of items from storage. If manpower is not available to remove storage items on short notice, storage may have to lapse into the next month, costing another month of storage.

f. ShowBiz Pizza Place, Inc. will not pay for the transportation of animals, farm equipment or other non-household goods.

g. ShowBiz Pizza Place, Inc. will not assume the cost of: exclusive use of van or expedited service; house cleaning, cleaning of carpets, draperies or related items; assembly or disassembly of regulation pool tables, childrens playhouses, portable swimming pools, or items of similar nature; no television antenna removal or installation; extra labor or waiting time; and no additional pick up or delivery to or from locations other than the residence.

h. The carrier is prohibited from transporting perishables; frozen food; plants or shrubbery; combustible items and paint; items of extraordinary value (jewelry, heirlooms, furs, collectables, liquor, etc.)

ADDITIONAL EXPENSES:

Additional moving expenses which will be paid by ShowBiz Pizza Place, Inc.

1) Transportation:
$.25 per mile for one car, cost of food and incidentals up to per diem at a maximum of $15 per adult and $10 for each dependent child and lodging en route. Not included are unnecessary stop-overs for sight seeing, etc. Expenses are to be submitted to the appropriate vice president on an expense report form with receipts attached.

2) Interim living costs:
When acceptable reasons prevent the employee from immediately taking possession of a residence at the new location, ShowBiz Pizza Place, Inc. will reimburse the employee for the following expenses:

You are authorized to live at a Holiday Inn for a period of no longer than 14 days. During your stay, you may expense your meals and half of your family meals.

3) House-hunting trip:
A three day trip can be authorized by the appropriate vice president for the employee and spouse to find housing. Normal expenses such as transportation, food, lodging, and the cost of a babysitter are authorized. A second trip can be authorized by the vice president, if necessary.

4) Advances:
Cash advances will be provided by ShowBiz Pizza Place, Inc. in only extreme emergencies and with approval of the appropriate Vice President. In those instances repayment can be made by submission of properly approved expense reports.

MOVING VOUCHER:

The employee will review the moving bill for accuracy. He/she will be responsible for signing a voucher to ShowBiz Pizza Place, Inc. for the expense for the move. ShowBiz Pizza Place, Inc. will receive a billing from the mover, pay the billing

and notify the employee of the exact amount. If an employee leaves the company within one year of the move date, he/she will be responsible for repaying the moving expense on a percentage basis of the time of service following the move date.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 451
Title: Travel

Effective Date: 7-31-81

SUBJECT: TRAVEL

POLICY:

Travel and entertainment expenses are to always be consistent with good common sense and the level of expenditure is not to exceed what would normally be spent out of one's own pocket. The ultimate responsibility for the conservative and reasonable incurrence of expenses lies with each employee.

PROCEDURE:

Transportation

Air travel and car rental have come increasingly complex in recent years. There are several levels of discounts in each area, but generally one has to ask for these discounts to receive them.

a. Commercial Air Travel: Significant savings can be attained by using air travel discounts. If you use a travel agency to make your reservations, be sure that you emphasize to them that they ask for these economy fares. Often agencies are not properly motivated to seek the lowest fares available.

   All personnel will travel coach class unless, because of schedule conflicts or airline booking difficulties, it is necessary to upgrade to a first class seat. This privilege is to be closely scrutinized and kept to an absolute minimum.

b. Air Travel - Company Plane: We have two company planes which are available for use. One plane holds approximately seven passengers and charges $200 per flying hour to the user's department (pro-rate allocation if more than one department is involved). The other plane holds three or four passengers and charges $100 per flying hour for use. Generally, it becomes economical to use the company planes when three or more are traveling. Of course, this depends on the length of the trip and the competitive rates charged by the commercial carriers.

b. Employees: Expenditures for entertaining company employees are reimbursable only on a limited basis under the following circumstances:

1. Entertainment occasioned by key personnel visiting out of town locations.

2. Entertainment costs incurred by traveling executives who carry on business with branch personnel during meal periods.

3. Entertainment cost of employees who are included in a group that is entertaining customers. On very special occasions, it may be appropriate to request reimbursement for expenses relating to recognition of outstanding employee service to the company. However, such expenses are to be infrequent.

4. Expenditures for "working lunches" in which compnay business is discussed and transacted.

Reimbursement:
Reimbursement for travel and entertainment expenses is obtained by submitting a weekly expense report, with all substantiating material, to your supervisor. It is important to always indicate the business purpose of each expense which is incurred. Also, be sure to indicate the names and company affiliations of people entertained who are not with our company.

The supervisor is responsible for reviewing expenses for compliance with this policy and rejecting all inappropriate items. This responsibility is not to be delegated. After noting his approval, the supervisor will forward the expense reports to the Home Office Accounting Department, and reimbursement will be made weekly on a timely basis.

Accommodations at Brock Hotel Corporation:
While traveling, employees are to stay at Brock Hotel facilities if at all possible.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 550
Title: Employee Breaks

Effective Date: 7-31-81

SUBJECT: EMPLOYEE BREAKS

POLICY:

*All non-management employees working longer than a four hour shift will be given a break by the Manager as business demands permit.

*Nothing in the federal statutes requires an employee to be given a rest period. The above employee break policy is designed to follow most state/local labor legislation; however, where state/locality dictates a more stringent policy, it will be followed.

PROCEDURE:

1) Breaks will not exceed ten (10) minutes in duration.

2) Breaks are to be taken in the Employee Break Area.

Policy # 551
Title: Employee Compensation
Effective Date: 7-31-81

OPERATIONS MANUAL

SUBJECT: EMPLOYEE COMPENSATION

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. to establish pay scale ranges from which all employee's salaries/hourly rates will be determined.

PROCEDURE:

1) The pay scale ranges will be reviewed yearly in December and revisions will be approved by the executive board of ShowBiz Pizza Place, Inc.

2) The pay scales for all positions will be retained in the Human Resources Department. Questions regarding such scales are to be directed to the Operations Department.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 552
Title: Employee Meal Periods
Effective Date: 7-31-81

SUBJECT: EMPLOYEE MEAL PERIODS

POLICY:

*All non-management employees working longer than a six (6) hour shift will be given a meal period of thirty (30) minutes by the Manager as business demands permit.

*Nothing in the federal statutes requires an employee to be given a meal period. The above employee meal period policy is designed to follow most state/local labor legislation; however, where state/locality dictates a more stringent policy, it will be followed.

PROCEDURE:

1) Lunch periods will not exceed thirty (30) minutes in duration.

2) Lunch periods will be taken in the Employee Break Area.

3) The employee must clock "out" and "in" for meal periods.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 553
Title: Leave of Absence

Effective Date: 11-1-82

SUBJECT: LEAVE OF ABSENCE

POLICY:

After six months of regular full-time employment an employee who finds it necessary to be absent from work for an extended period of time is eligible for a leave of absence. A leave may be granted for a maximum of six months. The employee may return at any time during this period, with adequate notice, to his former job or another (as determined by his supervisor and the supervisor's superior) with no loss of seniority or job benefits. Benefits are not paid during leaves of absences. If the employee wishes insurance coverage to continue, he/she is responsible for the full monthly premium. See Procedure #8500 for complete details. All leave of absence requests must be approved by two levels of management with at least one being of the District Mangager level before they are submitted to the Home Office.

(For Maternity Leave see Policy #360.)

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 554
Title: Management Schedule
Effective Date: 4-30-82

SUBJECT: MANAGEMENT SCHEDULE

POLICY:

During operating hours a member of management must always be in the restaurant.

Management salaries are based on a minimum of five (5) days, 10 hours per day.

A minimum of two members of the management team must be on duty during high volume hours. High volume hours are defined as capacity or near capacity customer load.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 555
Title: Overtime Pay

Effective Date: 7-31-81

SUBJECT: OVERTIME PAY

POLICY:

Overtime will be paid to all non-management employees for hours in excess of forty (40) per work week. It is the policy of ShowBiz Pizza Place, Inc. not to work employees overtime. However, in an emergency, one may be asked to work overtime for which the employee will be paid one and one-half times their regular hourly pay.

EXPLANATION:

1) All overtime hours must be approved by the individual's supervisor prior to working the overtime.

2) As to early and late time recording, the following from a U.S. Department of Labor directive is to be abided by all restaurants:

> "In those cases where time clocks are used, employees who voluntarily come in before their regular starting time or remain after their closing time, do not have to be paid for such periods provided of course, that they do not engage in work. Their early or late clock punching may be desregarded. Minor differences between the clock records and actual hours cannot ordinarily be avoided, but major discrepancies should be discouraged since they raise a doubt as to the accuracy of the records of the hours actually worked."

Therefore, it is the responsibility of the Manager/Supervisor to see that early or late clocking periods are voluntary and do not constitute hours worked.

NOTE: State and local legislation may dictate a change in the ShowBiz Pizza Place, Inc. Overtime Pay policy.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 556
Title: Work Week & Payday

Effective Date: 12-21-82

SUBJECT: Work Week and Payday

POLICY:

The official ShowBiz Pizza Place, Inc. work week is from Saturday through Friday. Payday is every other Saturday. Since there is a one-week delay between generating and distributing paychecks, the most recent work week is not included on the paycheck. Checks received prior to Saturday are not to be distributed before the Saturday payday.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 557
Title: Pay Periods

Effective Date: 7-31-81

SUBJECT: PAY PERIODS

POLICY:

Pay checks are generated semi-weekly (every other week) and will include wages for the preceding two workweeks.

SHOWBIZ PIZZA PLACE

OPERATIONS MANUAL

Policy # 558
Title: Salary Advances

Effective Date: 7-31-81

SUBJECT: SALARY ADVANCES - PAYMENTS ON OTHER THAN REGULAR PAY DATES

POLICY:

ShowBiz Pizza Place, Inc. does not allow salary advances. All employees are to receive due compensation on the scheduled payday only. Exceptions to this policy are:

1) An employee is shorted on a previous paycheck and cannot wait until the next regular pay date.

2) If an employee is terminated at the Manager's request, local legislation dictate will be followed.

NOTE: State and local legislation may dictate a change in the ShowBiz Pizza Place, Inc. policy on payment other than regular pay date.

SUBJECT: SALARY CONFIDENTIALITY

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. that all information related to an individual's salary remain completely confidential.

DESCRIPTIONS:

Salary and salary increases are to be discussed only by an individual and the individual's supervisor. Under no circumstances is an individual to discuss his/her salary or salary increases with anyone other than his/her immediate supervisor or individuals directly above the supervisor.

SUBJECT: TIME RECORDING

POLICY:

It is the policy of ShowBiz Pizza Place, Inc. to require all hourly and shift employees to use a time clock system for recording hours worked.

SUBJECT: OPENING ASSISTANCE

POLICY:

Representatives of ShowBiz Pizza Place, Inc. shall arrive prior to opening to assist and supervise in the final opening preparations of the restaurant. In the case of franchised restaurants, the Franchisee is responsible for the round trip transportation costs and per diem of ($100.00) one hundred dollars for each ShowBiz Pizza Place, Inc. opening team member.

Miscellaneous Travel Costs:

a. Use of Personal Car: Use of personal car on company business will be reimbursed at the rate of $.25 per mile driven. Parking fees and highway tolls are also reimbursable.

b. Communications: All necessary business calls and messages are reimbursable. Personal telephone expenses of a reasonable degree are reimbursable.

c. Laundry and Valet Service: Laundry and valet service are reimbursable when employees are required to be away from home for at least five days.

d. Gratuities: Tips are reimbursable when confined to reasonable limits determined by the services rendered.

e. Ground Transportation other than Car Rentals: Often it is cheaper to use taxis or limousines as ground transportation instead of car rentals. This would particularly apply to single purpose trips where the grounds mileage would not be excessive.

f. Other expenditures incurred while traveling, such as barber shop, books, magazines, travel insurance, family travel expenses, cocktails, (except where entertaining is authorized), etc. are not reimbursable.

Entertainment: (For Class I Employees Only):

a. Other than Employees: An employee will be reimbursed for reasonable expenses of entertaining individuals not in the employ of the company who are in a position to influence company business. The nature and extent of such entertainment should be reviewed by the employee's immediate supervisor. Names of guests and business affiliation must be shown on the expense report. Names of company personnel included in group entertainment are also to be shown. The cost of meals eaten at restaurants or clubs by an employee and his guests is reimbursable. If, in the particular circumstances, cocktails or other drinks appear appropriate, reimbursement for reasonable amounts will be allowed. Reimbursable costs include reasonable tips. Expenditures for entertainment other than meals and reasonable refreshments are to be incurred only with approval of the immediate supervisor.

c. Car Rentals: Our company participates in discount programs with both Dollar Rent-A-Car and Hertz. Under the Hertz program, we are entitled to a 40% discount on time and mileage rates. However, we are not entitled to any flat rates at Hertz. Our discount program at Dollar provides for flat rates, with unlimited or generous free mileage provisions. It is nearly always more economical to use Dollar car rentals. To obtain the discount, all you need to do is present your Dollar credit card when you are renting a car or checking one in. In those rare instances when it is necessary to use Hertz, be sure you obtain the 40% discount by identifying that you work for Brock Hotel Corporation.

Meals:
Expenses for meals during travel are to be modest, and one is not to elevate his standard of living at the company's expense. The following amounts are not to be exceeded without proper explanation:

	Daily Expenditure for Meals
Major metropolitan area, such as New York or Chicago	$22.00
Mid-size cities	$16.00
Smaller towns	$14.00

Lodging:
Naturally, whenever possible, you are to stay at our own hotels; however, when they are not available, you are to stay in moderately priced accommodations near your point of business. Many hotels offer commercial rates for business travelers; often you must inquire to obtain this discount. It is difficult to establish specific dollar amounts for guidelines, since rates vary significantly from city to city and season to season. However, expenditures in the $25 to $35 range per night would seem about right for all but the major metropolitan areas, where the expenditures will probably be higher.

SPP OPERATIONS MANUAL: POLICY MANUAL

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